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Post office move clears way for St. Paul redevelopment

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The U.S. Postal Service submitted its own change-of-address form Monday, saying it will move more than 1,100 workers from its outdated downtown St. Paul headquarters to Eagan in 2009.

St. Paul officials were elated, saying the move will open up 12 pivotal acres for riverfront redevelopment and more than offset the loss of jobs. Transportation planners predict the decision will help rekindle the once-bustling St. Paul train depot adjacent to the downtown post office, creating a hub for high-speed Amtrak service, local and regional buses and possible light-rail and commuter-train connections.

"On the one hand, these jobs will be leaving," St. Paul Mayor Randy Kelly said. "On the other hand, this opens an enormous opportunity for further riverfront housing, retail and commercial development and I fully expect the opportunities to outweigh any of the challenges or negatives."

Eagan authorities welcome more workers, but they insist hundreds of additional postal trucks a day will require a new Interstate Hwy. 35E overpass at Denmark Avenue to ease congestion around Yankee Doodle and Pilot Knob Roads. St. Paul and Eagan plan to ask Congress and the Legislature to help finance the move's redevelopment and transportation costs.

Adding the downtown Minneapolis post office and a postal facility in northeast Minneapolis to the Eagan consolidation, once part of the discussion, wasn't mentioned in Monday's letter from Deputy Postmaster General Patrick Donahoe to U.S. Rep. Betty McCollum. Jim Stanley, a local postal spokesman, said while "the wheel is starting to turn" for the St. Paul relocation, Minneapolis is not part of the consolidation process.

Changing needs

St. Paul, like Kansas City, Philadelphia, Washington, D.C., and other cities, needed its main post office by key railroad lines in the early 1900s when letters moved by train. Those cities have recently redeveloped old postal properties with housing, retail and office centers. They have also helped the cash-strapped Postal Service make money by selling prime downtown land and moving to less costly suburban property.

Not only have the days of train delivery come and gone, but the 16-story St. Paul mail processing center is no longer as efficient as more modern and horizontal sorting setups.

Donahoe said he hopes to agree with St. Paul officials on a "reasonable price" for the property before a 2006 meeting of postal governors. Kelly said the city will conduct a study to see how much the property is worth.

"Just as important as the immediate property opening up, the value of nearby property will increase more dramatically than anyone can anticipate," said Patrick Seeb, president of the St. Paul Riverfront Corp., which has been instrumental in much of the development along and near the Mississippi River in

recent years.

Pointing to the Science Museum of Minnesota, the Xcel Energy Center and Harriet Island regional park, St. Paul boosters often brag about reviving their Mississippi banks west of Robert Street. But redevelopment east of Robert has stalled awaiting the Postal Service's decision. Weiming Lu, president of the Lowertown Redevelopment Corp., has early sketches of potential condos and stores at the postal site, complete with a riverfront marina.

A long-scrutinized plan to relocate St. Paul postal operations to an former Army ammunition plant in Arden Hills eventually dissolved after years of study. St. Paul officials have been preparing for the Eagan announcement for more than a year.

"This was the one domino that needed to move," said Ramsey County Commissioner Rafael Ortega, who leads the Regional Rail Authority. "I'm delighted to see this piece fall into place."

McCollum, D-Minn., said revitalizing the area will "yield great benefits" for her district. U.S. Rep. John Kline, a Republican whose district includes Eagan, said he will make sure the move doesn't overburden his area's transportation system. And Sen. Norm Coleman, Kelly's predecessor as St. Paul mayor, said Monday's announcement was good news for St. Paul and Eagan. McCollum, Kline and Coleman will be key players in securing federal funds.

Eagan city administrator Tom Hedges said his city loves the prospect of 1,100 new jobs, but he insisted that love is conditional on improving roads near Eagan's bulk mail center, which sits in a 92-acre industrial area south of Lone Oak Road, east of I-35E and west of Lexington Avenue S.

"We've been asking since the beginning what this expansion means and until we understand their whole proposal, it's difficult to know what we're even planning for," Hedges said.

Seeb said about 400 trucks a day use the St. Paul facility. Some involved in the negotiations say it could take 10 years to complete the complex move. Kelly and Ortega insist it can be done in closer to five years.

In the meantime, Donahoe said the negotiations will include keeping a postmaster's office and a "retail presence" in downtown St. Paul. A two-person counter in the Hamm Building in downtown St. Paul currently handles some of the downtown postal demand, but the Postal Service would need a larger retail operation once the processing and distribution jobs move to Eagan.

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